

may be transferred from the account established by section 2906(a)(1) of the Department of Defense Authorization Act, 1991, to the fund established by section 1013(d) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374) to pay for expenses associated with the Homeowners Assistance Program. Any amounts transferred shall be merged with and be available for the same purposes and for the same time period as the fund to which transferred.

SEC. 125. Notwithstanding this or any other provision of law, funds appropriated in Military Construction Appropriations Acts for operations and maintenance of family housing shall be the exclusive source of funds for repair and maintenance of all family housing units, including flag and general officer quarters: Provided, That not more than \$35,000 per unit may be spent annually for the maintenance and repair of any general or flag officer quarters without 30 days advance prior notification of the appropriate committees of Congress: Provided further, That the Under Secretary of Defense (Comptroller) is to report annually to the Committees on Appropriations all operations and maintenance expenditures for each individual flag and general officer quarters for the prior fiscal year.

SEC. 126. In addition to the amounts provided in Public Law 107-20, of the funds appropriated under the heading "Military Construction, Air Force" in this Act, \$8,000,000 is to remain available until September 30, 2005: Provided, That notwithstanding any other provision of law, such funds may be obligated or expended to carry out planning and design and military construction activities at the Masirah Island Airfield in Oman, not otherwise authorized by law.

SEC. 127. Not later than 90 days after the enactment of this bill, the Secretary of Defense shall submit to the congressional defense committees a master plan for the environmental remediation of Hunters Point Naval Shipyard, California. The plan shall identify an aggregate cost estimate for the entire project as well as cost estimates for individual parcels. The plan shall also include a detailed cleanup schedule and an analysis of whether the Department is meeting legal requirements and community commitments. Following submission of the initial report, the Department shall submit semi-annual progress reports to the congressional defense committees.

SEC. 128. Of the funds available under the heading "Military Construction, Defense-wide", for the Pine Bluff Ammunition Demilitarization Facility (Phase VI) the Department may spend up to \$300,000 to conduct a feasibility study of the requirement for a defense road at Pine Bluff Arsenal, Arkansas.

This Act may be cited as the "Military Construction Appropriations Act, 2002".

Mrs. HUTCHISON. Madam President, I move to reconsider that vote, and I move to lay that motion on the table.

The PRESIDING OFFICER (Mrs. CARNAHAN). Without objection, it is so ordered.

Under the previous order, the Senate insists on its amendment, requests a conference with the House on the disagreeing votes of the two Houses, and the Chair appoints the following conferees on the part of the Senate:

Mrs. FEINSTEIN, Mr. INOUE, Mr. JOHNSON, Ms. LANDRIEU, Mr. REID of Nevada, Mr. BYRD, Mrs. HUTCHISON of Texas, Mr. BURNS, Mr. CRAIG, Mr. DEWINE, and Mr. STEVENS.

Mrs. FEINSTEIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2002—Resumed

The PRESIDING OFFICER. The clerk will report.

The senior assistant bill clerk read as follows:

A bill (S. 1438) to authorize appropriations for fiscal year 2002 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Services, and for other purposes.

Mr. LEVIN. Madam President, we made good progress on this bill yesterday. Unfortunately, we weren't successful in reaching a unanimous consent agreement on a finite list of amendments to this bill which would allow us to move quickly to final passage.

But we simply must complete action on this bill. President Bush has declared a national state of emergency. Our military forces are deploying around the world. We are calling the National Guard and Reserve units to active duty to augment our active forces.

This bill contains critically important provisions for our national security. It provides much needed increases in military pay and benefits, including housing benefits and allowances. It contains authority for bonuses and special pay to retain people with critical skills in the military services, and it contains a number of important provisions to improve the efficiency of the Defense Department operations.

The matter which has been keeping us from proceeding and completing this bill is not related to the national defense bill that is before us. Our leadership is working hard to try to address that issue.

I thank our leaders, Senator DASCHLE, Senator LOTT, and Senator REID, who have been so actively involved for their efforts to move us forward on this critically important bill.

I thank Senator WARNER. He and his staff have worked tirelessly to advance the bill. But adopting this bill would send a powerful signal to our allies and our adversaries around the world of a strong and unified sense of national unity and determination and our support for our Armed Forces.

So I am hopeful that we can continue to make progress. As part of that effort, Senator WARNER and I and our staffs worked late last night and this morning to develop a package of about 25 cleared amendments.

AMENDMENTS NOS. 1694 THROUGH 1718, EN BLOC

At this point, I ask unanimous consent that it be in order to send 25 amendments to the desk for consideration en bloc, that the amendments be

agreed to, the motion to reconsider be laid upon the table, and that any statements related to the amendments be printed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Is there objection?

The Senator from Virginia.

Mr. WARNER. Madam President, I will address in detail some of the remarks made earlier by my distinguished chairman, but at this point in time may I say this has been worked out mutually. We are in complete concurrence on this side with this block of amendments that we will adopt en bloc.

Again, I join the Senator in crediting our staff who have worked long hours into last night and almost every night.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments (Nos. 1694 through 1718), en bloc, were agreed to, as follows:

AMENDMENT NO. 1694

(Purpose: To amend the Small Business Act to promote the involvement of small business concerns and small business joint ventures in certain types of procurement contracts, to establish the Small Business Procurement Competition Program, and for other purposes)

At the appropriate place, insert the following:

SEC. ____ . SMALL BUSINESS PROCUREMENT COMPETITION.

(a) DEFINITION OF COVERED CONTRACTS.—Section 15(e)(4) of the Small Business Act (15 U.S.C. 644(e)(4)) is amended—

(1) by inserting after "bundled contract" the following: " , the aggregate dollar value of which is anticipated to be less than \$5,000,000, or any contract, whether or not the contract is a bundled contract, the aggregate dollar value of which is anticipated to be \$5,000,000 or more";

(2) by striking "In the" and inserting the following:

"(A) IN GENERAL.—In the"; and

(3) by adding at the end the following:

"(B) CONTRACTING GOALS.—

"(i) IN GENERAL.—A contract award under this paragraph to a team that is comprised entirely of small business concerns shall be counted toward the small business contracting goals of the contracting agency, as required by this Act.

"(ii) PREPONDERANCE TEST.—The ownership of the small business that conducts the preponderance of the work in a contract awarded to a team described in clause (i) shall determine the category or type of award for purposes of meeting the contracting goals of the contracting agency."

(b) PROPORTIONATE WORK REQUIREMENTS FOR BUNDLED CONTRACTS.—

(1) SECTION 8.—Section 8(a)(14)(A) of the Small Business Act (15 U.S.C. 637(a)(14)(A)) is amended—

(A) in clause (i), by striking "and" at the end;

(B) in clause (ii), by striking the period at the end and inserting " ; and"; and

(C) by adding at the end the following:

"(iii) notwithstanding clauses (i) and (ii), in the case of a bundled contract—

"(I) the concern will perform work for at least 33 percent of the aggregate dollar value of the anticipated award;

"(II) no other concern will perform a greater proportion of the work on that contract; and

“(III) no other concern that is not a small business concern will perform work on the contract.”.

(2) **QUALIFIED HUBZONE SMALL BUSINESS CONCERNS.**—Section 3(p)(5)(A)(i)(III) of the Small Business Act (15 U.S.C. 632(p)(5)(A)(i)(III)) is amended—

(A) in item (bb), by striking “and” at the end;

(B) by redesignating item (cc) as item (dd); and

(C) by inserting after item (bb) the following:

“(cc) notwithstanding items (aa) and (bb), in the case of a bundled contract, the concern will perform work for at least 33 percent of the aggregate dollar value of the anticipated award, no other concern will perform a greater proportion of the work on that contract, and no other concern that is not a small business concern will perform work on the contract; and”.

(3) **SECTION 15.**—Section 15(o)(1) of the Small Business Act (15 U.S.C. 644(o)(1)) is amended—

(A) in subparagraph (A), by striking “and” at the end;

(B) in subparagraph (B), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(C) notwithstanding subparagraphs (A) and (B), in the case of a bundled contract—

“(i) the concern will perform work for at least 33 percent of the aggregate dollar value of the anticipated award;

“(ii) no other concern will perform a greater proportion of the work on that contract; and

“(iii) no other concern that is not a small business concern will perform work on the contract.”.

(C) **SMALL BUSINESS PROCUREMENT COMPETITION PILOT PROGRAM.**—

(1) **DEFINITIONS.**—In this subsection—

(A) the term “Administrator” means the Administrator of the Small Business Administration;

(B) the term “Federal agency” has the same meaning as in section 3 of the Small Business Act (15 U.S.C. 632);

(C) the term “Program” means the Small Business Procurement Competition Program established under paragraph (2);

(D) the term “small business concern” has the same meaning as in section 3 of the Small Business Act (15 U.S.C. 632); and

(E) the term “small business-only joint ventures” means a team described in section 15(e)(4) of the Small Business Act (15 U.S.C. 644(e)(4)) comprised of only small business concerns.

(2) **ESTABLISHMENT OF PROGRAM.**—The Administrator shall establish in the Small Business Administration a pilot program to be known as the “Small Business Procurement Competition Program”.

(3) **PURPOSES OF PROGRAM.**—The purposes of the Program are—

(A) to encourage small business-only joint ventures to compete for contract awards to fulfill the procurement needs of Federal agencies;

(B) to facilitate the formation of joint ventures for procurement purposes among small business concerns;

(C) to engage in outreach to small business-only joint ventures for Federal agency procurement purposes; and

(D) to engage in outreach to the Director of the Office of Small and Disadvantaged Business Utilization and the procurement officer within each Federal agency.

(4) **OUTREACH.**—Under the Program, the Administrator shall establish procedures to conduct outreach to small business concerns interested in forming small business-only joint ventures for the purpose of fulfilling procurement needs of Federal agencies, sub-

ject to the rules of the Administrator, in consultation with the heads of those Federal agencies.

(5) **REGULATORY AUTHORITY.**—The Administrator shall promulgate such regulations as may be necessary to carry out this subsection.

(6) **SMALL BUSINESS ADMINISTRATION DATABASE.**—The Administrator shall establish and maintain a permanent database that identifies small business concerns interested in forming small business-only joint ventures, and shall make the database available to each Federal agency and to small business concerns in electronic form to facilitate the formation of small business-only joint ventures.

(7) **TERMINATION OF PROGRAM.**—The Program (other than the database established under paragraph (6)) shall terminate 3 years after the date of enactment of this Act.

(8) **REPORT TO CONGRESS.**—Not later than 60 days before the date of termination of the Program, the Administrator shall submit a report to Congress on the results of the Program, together with any recommendations for improvements to the Program and its potential for use Governmentwide.

(9) **RELATIONSHIP TO OTHER LAWS.**—Nothing in this subsection waives or modifies the applicability of any other provision of law to procurements of any Federal agency in which small business-only joint ventures may participate under the Program.

AMENDMENT NO. 1695

(Purpose: To make amendments with respect to small business concerns)

On page 270, line 9, strike “(A)” and all that follows through “(4)” on line 25.

On page 271, between lines 8 and 9, insert the following:

(C) **EVALUATION OF BUNDLING EFFECTS.**—Section 15(h)(2) of the Small Business Act (15 U.S.C. 644(h)(2)) is amended—

(1) in subparagraph (C), by inserting “, and whether contract bundling played a role in the failure,” after “agency goals”; and

(2) by adding at the end the following:

“(G) The number and dollar value of consolidations of contract requirements with a total value in excess of \$5,000,000, including the number of such consolidations that were awarded to small business concerns as prime contractors.”.

(d) **REPORTING REQUIREMENT.**—Section 15(p) of the Small Business Act (15 U.S.C. 644(p)) is amended to read as follows:

“(p) **REPORTING REQUIREMENT.**—

“(1) **IN GENERAL.**—The Administrator shall conduct a study examining the best means to determine the accuracy of the market research required under subsection (e)(2) for each bundled contract, to determine if the anticipated benefits were realized, or if they were not realized, the reasons there for.

“(2) **PROVISION OF INFORMATION.**—A Federal agency shall provide to the appropriate procurement center representative a copy of market research required under subsection (e)(2) for consolidations of contract requirements with a total value in excess of \$5,000,000, upon request.

“(3) **REPORT.**—Not later than 270 days after the date of enactment of the National Defense Authorization Act for Fiscal Year 2002, the Administrator shall submit a report to the Committee on Small Business and Entrepreneurship of the Senate and the Committee on Small Business of the House of Representatives on the results of the study conducted under this subsection.”.

On page 290, between lines 3 and 4, insert the following:

SEC. 824. HUBZONE SMALL BUSINESS CONCERNS.

Section 3(p) of the Small Business Act (15 U.S.C. 632(p)) is amended—

(1) by redesignating paragraphs (4) through (7) as paragraphs (5) through (8), respectively; and

(2) by inserting after paragraph (3) the following:

“(4) **RULE OF CONSTRUCTION RELATING TO CITIZENSHIP.**—

“(A) **IN GENERAL.**—A small business concern described in subparagraph (B) meets the United States citizenship requirement of paragraph (3)(A) if, at the time of application by the concern to become a qualified HUBZone small business concern for purposes of any contract and at such times as the Administrator shall require, no non-citizen has filed a disclosure under section 13(d)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(d)(1)) as the beneficial owner of more than 10 percent of the outstanding shares of that small business concern.

“(B) **CONCERNS DESCRIBED.**—A small business concern is described in this subparagraph if the small business concern—

“(i) has a class of securities registered under section 12 of the Securities Exchange Act of 1934 (15 U.S.C. 78l); and

“(ii) files reports with the Securities and Exchange Commission as a small business issuer.”.

“(C) **NON-CITIZENS.**—In this paragraph, the term ‘non-citizen’ means

“(i) an individual that is not a United States citizen; and

“(ii) any other person that is not organized under the laws of any State or the United States.”.

AMENDMENT NO. 1696

(Purpose: To authorize, with an offset, \$11,900,000 to improve instrumentation and targets at Army live fire training ranges)

At the end of subtitle A of title III, add the following:

SEC. 306. IMPROVEMENTS IN INSTRUMENTATION AND TARGETS AT ARMY LIVE FIRE TRAINING RANGES.

(a) **INCREASE IN AUTHORIZATION OF APPROPRIATIONS FOR OPERATION AND MAINTENANCE, ARMY.**—The amount authorized to be appropriated by section 301(1) for the Army for operation and maintenance is hereby increased by \$11,900,000 for improvements in instrumentation and targets at Army live fire training ranges.

(b) **OFFSET.**—The amount authorized to be appropriated by section 302(1) for the Department of Defense for the Defense Working Capital Funds is hereby decreased by \$11,900,000, with the amount of the decrease to be allocated to amounts available under that section for fuel purchases.

AMENDMENT NO. 1697

(Purpose: To increase the amount authorized to be appropriated for the Air Force for procurement of Hydra-70 rockets, and to provide an offset)

On page 18, line 13, increase the amount by \$20,000,000.

On page 32, line 4, reduced the amount by \$20,000,000.

AMENDMENT NO. 1698

(Purpose: To modify the provisions relating to financial management oversight of the Department of Defense)

In the section heading of section 1007, strike “**SENIOR FINANCIAL MANAGEMENT OVERSIGHT COUNCIL**” and insert “**FINANCIAL MANAGEMENT MODERNIZATION EXECUTIVE COMMITTEE**”.

In section 1007, strike the subsection caption for subsection (a) and insert the following: “**ESTABLISHMENT OF FINANCIAL MANAGEMENT MODERNIZATION EXECUTIVE COMMITTEE.**—”.

In section 1007(a)(1), strike “Senior Financial Management Oversight Council” and insert “Financial Management Modernization Executive Committee”.

In section 1007(a)(2), strike “Council” and insert “Committee”.

In section 1007(a)(2), insert after “(Personnel and Readiness),” the following: “the chief information officer of the Department of Defense.”

In section 1007(a)(3), strike “Council” and insert “Committee”.

In section 1007(a), add at the end the following:

(4) The Committee shall be accountable to the Senior Executive Council composed of the Secretary of Defense, the Deputy Secretary of Defense, the Under Secretary of Defense for Acquisition, Technology, and Logistics, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force.

In section 1007(b), in the matter preceding paragraph (1), strike “Senior Financial Management Oversight Council” and insert “Financial Management Modernization Executive Committee”.

In section 1007(b), add at the end the following:

(4) To ensure that a Department of Defense financial management enterprise architecture is development and maintained in accordance with—

(A) the overall business process transformation strategy of the Department; and

(B) the Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance Architecture Framework of the Department.

(5) To ensure that investments in existing or proposed financial management systems for the Department comply with the overall business practice transformation strategy of the Department and the financial management enterprise architecture developed under paragraph (4).

(6) To provide an annual accounting of all financial and feeder system investment technology projects to ensure that such projects are being implemented at acceptable cost and within a reasonable schedule, and are contributing to tangible, observable improvements in mission performance.

In section 1007(c)(1), strike “of all” and all that follows through the end and insert “of all budgetary, accounting, finance, and feeder systems that support the transformed business processes of the Department and produce financial statements.”

In section 1007(c)(2), strike “to financial statements before other actions are initiated.” and insert “to cognizant Department business functions (as part of the overall business process transformation strategy of the Department) and financial statements before other actions are initiated.”

In section 1007(c), strike paragraphs (3), (4), and (5) and insert the following:

(3) Periodic submittal to the Secretary of Defense, the Deputy Secretary of Defense, the Senior Executive Council, or any combination thereof, of reports on the progress being made in achieving financial management transformation goals and milestone included in the annual financial management improvement plan in 2002 in accordance with subsection (e).

(4) Documentation of the completion of each phase—Awareness, Evaluation, Renovation, Validation, and Compliance—of improvements made to each accounting, finance, and feeder system.

(5) Independent audit by the Inspector General of the Department, the audit agencies of the military department, private sector firms contracted to conduct validation audits, or any combination thereof, at the validation phase for each accounting, finance, and feeder system.

In section 1007, strike subsection (d) and insert the following:

(d) ANNUAL FINANCIAL MANAGEMENT IMPROVEMENT PLAN.—(1) Subsection (a) of section 2222 of title 10, United States Code, is amended to read as follows:

“(a) ANNUAL PLAN REQUIRED.—The Secretary of Defense shall submit to Congress an annual strategic plan for the improvement of financial management within the Department of Defense. The plan shall be submitted not later than September 30 each year.”

(2)(A) The section heading of such section is amended to read as follows:

“§ 2222. Annual financial management improvement plan”.

(B) The table of sections at the beginning of chapter 131 of such title is amended by striking the item relating to section 2222 and inserting the following new item:

“2222. Annual financial management improvement plan.”

(e) ADDITIONAL ELEMENTS FOR FINANCIAL MANAGEMENT IMPROVEMENT PLAN IN 2002.—In the annual financial management improvement plan submitted under section 2222 of title 10, United States Code (as amended by subsection (d)), in 2002, the Secretary shall include the following:

(1) Measurable annual performance goals for improvement of the financial management of the Department.

(2) Performance milestones for initiatives under the plan for transforming the financial management operations of the Department and for implementing a financial management architecture for the Department.

(3) An assessment of the anticipated annual cost of any plans for transforming the financial management operations of the Department and for implementing a financial management architecture for the Department.

(4) A discussion of the following:

(A) The roles and responsibilities of appropriate Department officials to ensure the supervision and monitoring of the compliance of each accounting, finance, and feeder system of the Department with the business practice transformation strategy of the Department, the financial management architecture of the Department, and applicable Federal financial management systems and reporting requirements.

(B) A summary of the actions taken by the Financial Management Modernization Executive Committee to ensure that such systems comply with the business practice transformation strategy of the Department, the financial management architecture of the Department, and applicable Federal financial management systems and reporting requirements.

(f) ADDITIONAL ELEMENTS FOR FINANCIAL MANAGEMENT IMPROVEMENT PLAN AFTER 2002.—In each annual financial management improvement plan submitted under section 2222 of title 10, United States Code (as amended by subsection (d)), after 2002, the Secretary shall include the following:

(1) A description of the actions to be taken in the fiscal year beginning in the year in which the plan is submitted to implement the goals and milestones included in the financial management improvement plan in 2002 under paragraphs (1) and (2) of subsection (e).

(2) An estimate of the amount expended in the fiscal year ending in the year in which the plan is submitted to implement the financial management improvement plan in such preceding calendar year, set forth by system.

(3) If an element of the financial management improvement plan submitted in the fiscal year ending in the year in which the plan

is submitted was not implemented, a justification for the lack of implementation of such element.

AMENDMENT NO. 1699

(Purpose: To require a determination on the advisability of amending the Federal Acquisition Regulation to authorize treatment of financing costs as an allowable expense under contracts for utility services from utility systems privatized under the utility privatization initiative)

At the end of subtitle A of title XXVIII, add the following:

SEC. 2806. AMENDMENT OF FEDERAL ACQUISITION REGULATION TO TREAT FINANCING COSTS AS ALLOWABLE EXPENSES UNDER CONTRACTS FOR UTILITY SERVICES FROM UTILITY SYSTEMS CONVEYED UNDER PRIVATIZATION INITIATIVE.

(a) DETERMINATION OF ADVISABILITY OF AMENDMENT.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall determine whether or not it is advisable to modify the Federal Acquisition Regulation in order to provide that a contract for utility services from a utility system conveyed under section 2688(a) of title 10, United States Code, may include terms and conditions that recognize financing costs, such as return on equity and interest on debt, as an allowable expense when incurred by the conveyee of the utility system to acquire, operate, renovate, replace, upgrade, repair, and expand the utility system.

(b) REPORT.—If as of the date that is 180 days after the date of the enactment of this Act, the Federal Acquisition Regulatory Council has not modified the Federal Acquisition Regulation to provide that a contract described in subsection (a) may include terms and conditions described in that subsection, or otherwise taken action to provide that a contract referred to in that subsection may include terms and conditions described in that subsection, the Secretary shall submit to Congress on that date a report setting forth a justification for the failure to take such actions.

AMENDMENT NO. 1700

(Purpose: Relating to chemical and biological protective equipment for military and civilian personnel of the Department of Defense)

At the end of subtitle E of title X, add the following:

SEC. 1066. CHEMICAL AND BIOLOGICAL PROTECTIVE EQUIPMENT FOR MILITARY AND CIVILIAN PERSONNEL OF THE DEPARTMENT OF DEFENSE.

(a) REPORT REQUIRED.—(1) Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report on the requirements of the Department of Defense, including the reserve components, for chemical and biological protective equipment.

(2) The report shall set forth the following:

(A) A description of any current shortfalls in requirements for chemical and biological protective equipment, whether for individuals or units, for military personnel.

(B) A plan for providing appropriate chemical and biological protective equipment for all military personnel and for all civilian personnel of the Department of Defense.

(C) An assessment of the costs associated with carrying out the plan under subparagraph (B).

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Defense should consider utilizing funds available to the Secretary for chemical and biological defense programs, including funds available for

such program under this Act and funds available for such programs under the 2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States, to provide an appropriate level of protection from chemical and biological attack, including protective equipment, for all military personnel and for all civilian personnel of the Department of Defense who are not currently protected from chemical or biological attack.

AMENDMENT NO. 1701

(Purpose: To improve the provisions relating to the Rocky Flats National Wildlife Refuge)

(The text of the amendment is printed in the RECORD under "Amendments Submitted.")

AMENDMENT NO. 1702

(Purpose: To repeal the limitation on number of officers on active duty in the grades of general or admiral)

At the end of section 501 add the following:

(e) REPEAL OF LIMITATION ON NUMBER OF OFFICERS ON ACTIVE DUTY IN THE GRADES OF GENERAL OR ADMIRAL.—(1) Section 528 of title 10, United States Code, is repealed.

(2) The table of sections at the beginning of chapter 32 of such title is amended by striking the item relating to section 528.

AMENDMENT NO. 1703

(Purpose: To improve the organization and management of the Department of Defense with respect to space programs and activities)

(The text of the amendment is printed in the RECORD under "Amendments Submitted.")

AMENDMENT NO. 1704

(Purpose: To modify certain provisions relating to Cooperative Threat Reduction programs)

In section 1202(c)(1), strike "Subject to paragraphs (2) and (3)," and insert "Subject to paragraph (2)."

In section 1202(c)(3), strike "in any of the paragraphs" and insert "in paragraph (7), (10) or (11)".

Strike section 1203 and insert the following:

SEC. 1203. CHEMICAL WEAPONS DESTRUCTION.

Section 1305 of the National Defense Authorization Act for Fiscal Year 2000 (Public Law 106-65; 113 Stat. 794; 22 U.S.C. 5952 note) is amended—

(1) by inserting "(a) LIMITATION.—" before "No fiscal year";

(2) in subsection (a), as so designated, by inserting before the period at the end the following: "until the Secretary of Defense submits to Congress a certification that there has been—

"(1) full and accurate disclosure by Russia of the size of its existing chemical weapons stockpile;

"(2) a demonstrated annual commitment by Russia to allocate at least \$25,000,000 to chemical weapons elimination;

"(3) development by Russia of a practical plan for destroying its stockpile of nerve agents;

"(4) enactment of a law by Russia that provides for the elimination of all nerve agents at a single site;

"(5) an agreement by Russia to destroy or convert its chemical weapons production facilities at Volgograd and Novocheboksark; and

"(6) a demonstrated commitment from the international community to fund and build infrastructure needed to support and operate the facility."; and

(3) by adding at the end the following new subsection:

"(b) OMISSION OF CERTAIN INFORMATION.—The Secretary may omit from the certification under subsection (a) the matter specified in paragraph (1) of that subsection, and the certification with the matter so omitted shall be effective for purposes of that subsection, if the Secretary includes with the certification notice to Congress of a determination by the Secretary that it is not in the national security interests of the United States for the matter specified in that paragraph to be included in the certification, together with a justification of the determination."

In section 1204(b), strike "EXECUTIVE" in the subsection caption and insert "IMPLEMENTING".

In section 1204(b), strike "executive" and insert "implementing".

AMENDMENT NO. 1705

(Purpose: Relating to the V-22 Osprey aircraft)

At the end of subtitle C of title I, add the following:

SEC. 124. ADDITIONAL MATTER RELATING TO V-22 OSPREY AIRCRAFT.

Not later than 30 days before the commencement of flights of the V-22 Osprey aircraft, the Secretary of Defense shall submit to Congress notice of the waiver, if any, of any item capability or any other requirement specified in the Joint Operational Requirements Document for the V-22 Osprey aircraft, including a justification of each such waiver.

AMENDMENT NO. 1706

(Purpose: To authorize the appropriation of an additional amount of \$1,000,000 for fiscal year 2001 that was previously appropriated for that fiscal year for RDT&E, Defense-wide, for the Intelligent Spatial Technologies for Smart Maps Initiative of the National Imagery and Mapping Agency (PEO305102BQ))

On page 31, between lines 15 and 16, insert the following:

SEC. 233. SUPPLEMENTAL AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 2001 FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION DEFENSE-WIDE.

Section 201(4) of Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106-398; 114 Stat. 1654A-32) is amended by striking "\$10,873,712,000" and inserting "\$10,874,712,000".

AMENDMENT NO. 1707

(Purpose: To modify the land conveyance at Mukilteo Tank Farm, Everett, Washington)

At the end of subtitle C of title XXVIII, add the following:

SEC. ____ . MODIFICATION OF LAND CONVEYANCE, MUKILTEO TANK FARM, EVERETT, WASHINGTON.

(a) MODIFICATION.—Section 2866 of the Military Construction Authorization Act for Fiscal Year 2001 (division B of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106-398); 114 Stat. 436) is amended—

(1) in subsection (a), by striking "22 acres" and inserting "20.9 acres";

(2) by redesignating subsections (b), (c), (d), and (e) as subsections (c), (d), (e), and (f), respectively; and

(3) by inserting after subsection (a) the following new subsection (b):

"(b) TRANSFER OF JURISDICTION.—(1) At the same time the Secretary of the Air Force makes the conveyance authorized by sub-

section (a), the Secretary shall transfer to the Secretary of Commerce administrative jurisdiction over a parcel of real property, including improvements thereon, consisting of approximately 1.1 acres located at the Mukilteo Tank Farm and including the National Marine Fisheries Service Mukilteo Research Center facility.

"(2) The Secretary of Commerce may, with the consent of the Port, exchange with the Port all or any portion of the property received under paragraph (1) for a parcel of real property of equal area at the Mukilteo Tank Farm that is owned by the Port.

"(3) The Secretary of Commerce shall administer the property under the jurisdiction of the Secretary under this subsection through the Administrator of the National Oceanic and Atmospheric Administration as part of the Administration.

"(4) The Administrator shall use the property under the jurisdiction of the Secretary of Commerce under this subsection as the location of a research facility, and may construct a new facility on the property for such research purposes as the Administrator considers appropriate.

"(5)(A) If after the 12-year period beginning on the date of the enactment of the National Defense Authorization Act for Fiscal Year 2002, the Administrator is not using any portion of the real property under the jurisdiction of the Secretary of Commerce under this subsection, the Administrator shall convey, without consideration, to the Port all right, title, and interest in and to such portion of the real property, including improvements thereon.

"(B) The Port shall use any real property conveyed to the Port under this paragraph for the purpose specified in subsection (a)."

(b) CONFORMING AMENDMENT.—The section heading for that section is amended to read as follows:

"SEC. 2866. LAND CONVEYANCE AND TRANSFER, MUKILTEO TANK FARM, EVERETT, WASHINGTON."

AMENDMENT NO. 1708

(Purpose: To modify the authorization for a military construction project at Fort Sill, Oklahoma)

The table in section 2101(a) is amended in the item relating to Fort Sill, Oklahoma, by striking "\$18,600,000" in the amount column and inserting "\$40,100,000".

The table in section 2101(a) is amended by striking the amount identified as the total in the amount column and inserting "\$1,279,500,000".

Section 2104(b)(4) is amended by striking "and" at the end.

Section 2104(b)(5) is amended by striking the period at the end and inserting "; and".

Section 2104(b) is amended by inserting after paragraph (5) the following:

(6) \$21,500,000 (the balance of the amount authorized under section 2101(a) for Consolidated Logistics Complex (Phase I) at Fort Sill, Oklahoma).

AMENDMENT NO. 1709

(Purpose: To authorize, with an offset, \$2,400,000 for procurement of additional M291 skin decontamination kits)

At the end of subtitle E of title I, add the following:

SEC. 142. PROCUREMENT OF ADDITIONAL M291 SKIN DECONTAMINATION KITS.

(a) INCREASE IN AUTHORIZATION OF APPROPRIATIONS FOR DEFENSE-WIDE PROCUREMENT.—(1) The amount authorized to be appropriated by section 104 for Defense-wide procurement is hereby increased by \$2,400,000, with the amount of the increase available for the Navy for procurement of M291 skin decontamination kits.

(2) The amount available under paragraph (1) for procurement of M291 skin decontamination kits is in addition to any other amounts available under this Act for procurement of M291 skin decontamination kits.

(b) OFFSET.—The amount authorized to be appropriated by section 201(4) for research, development, test, and evaluation, Defense-wide, is hereby decreased by \$2,400,000, with the amount to be derived from the amount available for the Technical Studies, Support and Analysis program.

AMENDMENT NO. 1710

(Purpose: To reauthorize a warranty claims recovery pilot program)

At the end of subtitle D of title III, add the following:

SEC. 335. REAUTHORIZATION OF WARRANTY CLAIMS RECOVERY PILOT PROGRAM.

(a) EXTENSION OF AUTHORITY.—Subsection (f) of section 391 of the National Defense Authorization Act for Fiscal Year 1998 (Public Law 105-85; 111 Stat. 1716; 10 U.S.C. 2304 note) is amended by striking “September 30, 1999” and inserting “September 30, 2003”.

(b) REPORTING REQUIREMENTS.—Subsection (g) of such section is amended—

- (1) in paragraph (1), by striking “January 1, 2000” and inserting “January 1, 2003”; and
- (2) in paragraph (2), by striking “March 1, 2000” and inserting “March 1, 2003”.

AMENDMENT NO. 1711

(Purpose: To authorize land conveyances at Charleston Air Force Base, South Carolina)

At the end of subtitle C of title XXVIII, add the following:

SEC. 2827. LAND CONVEYANCES, CHARLESTON AIR FORCE BASE, SOUTH CAROLINA.

(a) CONVEYANCE TO STATE OF SOUTH CAROLINA AUTHORIZED.—The Secretary of the Air Force may convey, without consideration, to the State of South Carolina (in this section referred to as the “State”), all right, title, and interest of the United States in and to a portion (as determined under subsection (c)) of the real property, including any improvements thereon, consisting of approximately 24 acres at Charleston Air Force Base, South Carolina, and comprising the Air Force Family Housing Annex. The purpose of the conveyance is to facilitate the Remount Road Project.

(b) CONVEYANCE TO CITY OF NORTH CHARLESTON AUTHORIZED.—The Secretary may convey, without consideration, to the City of North Charleston, South Carolina (in this section referred to as the “City”), all right, title, and interest of the United States in and to a portion (as determined under subsection (c)) of the real property, including any improvements thereon, referred to in subsection (a). The purpose of the conveyance is to permit the use of the property by the City for municipal purposes.

(c) DETERMINATION OF PORTIONS OF PROPERTY TO BE CONVEYED.—(1) Subject to paragraph (2), the Secretary, the State, and the City shall jointly determine the portion of the property referred to in subsection (a) that is to be conveyed to the State under subsection (a) and the portion of the property that is to be conveyed to the City under subsection (b).

(2) In determining under paragraph (1) the portions of property to be conveyed under this section, the portion to be conveyed to the State shall be the minimum portion of the property required by the State for the purpose specified in subsection (a), and the portion to be conveyed to the City shall be the balance of the property.

(d) LIMITATION ON CONVEYANCES.—The Secretary may not carry out the conveyance of property authorized by subsection (a) or sub-

section (b) until the completion of an assessment of environmental contamination of the property authorized to be conveyed by such subsection for purposes of determining responsibility for environmental remediation of such property.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsections (a) and (b) shall be determined by surveys satisfactory to the Secretary. The cost of the survey for the property to be conveyed under subsection (a) shall be borne by the State, and the cost of the survey for the property to be conveyed under subsection (b) shall be borne by the City.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyances under subsections (a) and (b) as the Secretary considers appropriate to protect the interests of the United States.

AMENDMENT NO. 1712

(Purpose: To authorize the sale of goods and services that are not available from any United States commercial source by the Naval Magazine, Indian Island)

Insert at the appropriate place in the bill the following new item:

The Secretary of the Navy may sell to a person outside the Department of Defense articles and services provided by the Naval Magazine, Indian Island facility that are not available from any United States commercial source; *Provided*, That a sale pursuant to this section shall conform to the requirements of 10 U.S.C. section 2563 (c) and (d); and *Provided further*, That the proceeds from the sales of articles and services under this section shall be credited to operation and maintenance funds of the Navy, that are current when the proceeds are received.

AMENDMENT NO. 1713

(Purpose: To authorize a land conveyance, Fort Des Moines, Iowa)

At the end of subtitle C of title XXVIII, add the following:

SEC. 2827. LAND CONVEYANCE, FORT DES MOINES, IOWA.

(a) CONVEYANCE AUTHORIZED.—The Secretary of the Army may convey, without consideration, to Fort Des Moines Memorial Park, Inc., a nonprofit organization (in this section referred to as the “Memorial Park”), all right, title, and interest of the United States in and to a parcel of real property, including improvements thereon, consisting of approximately 4.6 acres located at Fort Des Moines United States Army Reserve Center, Des Moines, Iowa, for the purpose of the establishment of the Fort Des Moines Memorial Park and Education Center.

(b) CONDITION OF CONVEYANCE.—The conveyance under subsection (a) shall be subject to the condition that the Memorial Park use the property for museum and park purposes.

(c) REVERSION.—If the Secretary determines at any time that the real property conveyed under subsection (a) is not being used for museum and park purposes, all right, title, and interest in and to the real property, including any improvements thereon, shall revert to the United States, and the United States shall have the right of immediate entry thereon.

(d) REIMBURSEMENT FOR COSTS OF CONVEYANCE.—(1) The Memorial Park shall reimburse the Secretary for the costs incurred by the Secretary for any environmental assessment, study, or analysis, or for any other expenses incurred by the Secretary, for the conveyance authorized in (a).

(2) The amount of the reimbursement under paragraph (1) for any activity shall be determined by the Secretary, but may not exceed the cost of such activity.

(3) Section 2695(c) of title 10 United States Code, shall apply to any amount received under this subsection.

(e) DESCRIPTION OF PROPERTY.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by survey satisfactory to the Secretary. The cost of the survey shall be borne by the Memorial Park.

(f) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

AMENDMENT NO. 1714

(Purpose: To authorize participation of regular members of the Armed Forces in Senior ROTC)

At the end of subtitle C of title V, add the following:

SEC. 540. PARTICIPATION OF REGULAR MEMBERS OF THE ARMED FORCES IN THE SENIOR RESERVE OFFICERS' TRAINING CORPS.

(a) ELIGIBILITY.—Section 2104(b)(3) of title 10, United States Code, is amended by inserting “the regular component or” after “enlist in”.

(b) PAY RATE WHILE ON FIELD TRAINING OR PRACTICE CRUISE.—Section 209(c) of title 37, United States Code, is amended by inserting before the period at the end the following: “, except that the rate for a cadet or midshipman who is a member of the regular component of an armed force shall be the rate of basic pay applicable to the member under section 203 of this title”.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 2001.

AMENDMENT NO. 1715

(Purpose: To repeal certain limitations on the exercise of voluntary separation incentive pay authority and voluntary early retirement authority)

Strike section 1113 and insert the following:

SEC. 1113. REPEAL OF LIMITATIONS ON EXERCISE OF VOLUNTARY SEPARATION INCENTIVE PAY AUTHORITY AND VOLUNTARY EARLY RETIREMENT AUTHORITY.

Section 1153(b) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted into law by Public Law 106-398; 114 Stat. 1654A-323) is amended—

- (1) in paragraph (1), by striking “Subject to paragraph (2), the” and inserting “The”;
- (2) by striking paragraph (2); and
- (3) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively.

AMENDMENT NO. 1716

(Purpose: To make additional modifications to the Energy Employees Occupational Illness Program)

In section 3151(d), strike paragraphs (1) and (2) and insert the following:

(1) IN GENERAL.—Subsection (e) of section 3628 of that Act (114 Stat. 1654A-506) is amended to read as follows:

“(e) SURVIVORS.—(1) If a covered employee dies before accepting payment of compensation under this section, whether or not the death is the result of the covered employee's occupational illness, the survivors of the covered employee who are living at the time of payment of compensation under this section shall receive payment of compensation under this section in lieu of the covered employee as follows:

“(A) If such living survivors of the covered employee include a spouse and one or more children—

“(i) the spouse shall receive one-half of the amount of compensation provided for the covered employee under this section; and

“(ii) each child shall receive an equal share of the remaining one-half of the amount of the compensation provided for the covered employee under this section.

“(B) If such living survivors of the covered employee include a spouse or one or more children, but not both a spouse and one or more children—

“(i) the spouse shall receive the amount of compensation provided for the covered employee under this section; or

“(ii) each child shall receive an equal share of the amount of the compensation provided for the covered employee under this section.

“(C) If such living survivors of the covered employee do not include a spouse or any children, but do include one or both parents, one or more grandparents, one or more grandchildren, or any combination of such individuals, each such individual shall receive an equal share of the amount of the compensation provided for the covered employee under this section.

“(2) For purposes of this subsection, the term ‘child’, in the case of a covered employee, means any child of the covered employee, including a natural child, adopted child, or step-child who lived with the covered employee in a parent-child relationship.”

(2) URANIUM EMPLOYEES.—Subsection (e) of section 3630 of that Act (114 Stat. 1654A–507) is amended to read as follows:

“(e) SURVIVORS.—(1) If a covered uranium employee dies before accepting payment of compensation under this section, whether or not the death is the result of the covered uranium employee’s occupational illness, the survivors of the covered uranium employee who are living at the time of payment of compensation under this section shall receive payment of compensation under this section in lieu of the covered uranium employee as follows:

“(A) If such living survivors of the covered uranium employee include a spouse and one or more children—

“(i) the spouse shall receive one-half of the amount of compensation provided for the covered uranium employee under this section; and

“(ii) each child shall receive an equal share of the remaining one-half of the amount of the compensation provided for the covered uranium employee under this section.

“(B) If such living survivors of the covered uranium employee include a spouse or one or more children, but not both a spouse and one or more children—

“(i) the spouse shall receive the amount of compensation provided for the covered uranium employee under this section; or

“(ii) each child shall receive an equal share of the amount of the compensation provided for the covered uranium employee under this section.

“(C) If such living survivors of the covered uranium employee do not include a spouse or any children, but do include one or both parents, one or more grandparents, one or more grandchildren, or any combination of such individuals, each such individual shall receive an equal share of the amount of the compensation provided for the covered uranium employee under this section.

“(2) For purposes of this subsection, the term ‘child’, in the case of a covered uranium employee, means any child of the covered employee, including a natural child, adopted child, or step-child who lived with the covered employee in a parent-child relationship.”

In section 3151(g)(1) in the matter preceding subparagraph (A), insert “, with the cooperation of the Department of Energy and the Department of Labor,” after “shall”.

In section 3151(g), strike paragraph (2) and insert the following:

(2)(A) Not later than 180 days after the date of the enactment of this Act, the National Institute for Occupational Safety and Health shall submit to the congressional defense committees a report on the progress made as of the date of the report on the study under paragraph (1).

(B) Not later than one year after the date of the enactment of this Act, the National Institute shall submit to the congressional defense committees a final report on the study under paragraph (1).

AMENDMENT NO. 1717

(Purpose: To set aside for land forces readiness-information operations sustainment (PE 19640) \$5,000,000 of the amount provided for the Army Reserve for operation and maintenance)

At the end of subtitle D of title III, add the following:

SEC. 335. FUNDING FOR LAND FORCES READINESS-INFORMATION OPERATIONS SUSTAINMENT.

Of the amount authorized to be appropriated by section 301(6), \$5,000,000 may be available for land forces readiness-information operations sustainment.

AMENDMENT NO. 1718

(Purpose: To require the conveyance of certain former Minuteman III ICBM facilities)

At the end of subtitle C of title III, add the following:

SEC. 2827. LAND CONVEYANCES, CERTAIN FORMER MINUTEMAN III ICBM FACILITIES IN NORTH DAKOTA.

(a) CONVEYANCES REQUIRED.—(1) The Secretary of the Air Force may convey, without consideration, to the State Historical Society of North Dakota (in this section referred to as the “Historical Society”) all right, title, and interest of the United States in and to parcels of real property, together with any improvements thereon, of the Minuteman III ICBM facilities of the former 321st Missile Group at Grand Forks Air Force Base, North Dakota, as follows:

(A) The parcel consisting of the launch facility designated “November-33”.

(B) The parcel consisting of the missile alert facility and launch control center designated “Oscar-O”.

(2) The purpose of the conveyance of the facilities is to provide for the establishment of an historical site allowing for the preservation, protection, and interpretation of the facilities.

(b) CONSULTATION.—The Secretary shall consult with the Secretary of State and the Secretary of Defense in order to ensure that the conveyances required by subsection (a) are carried out in accordance with applicable treaties.

(c) HISTORIC SITE.—The Secretary may, in cooperation with the Historical Society, enter into one or more cooperative agreements with appropriate public or private entities or individuals in order to provide for the establishment and maintenance of the historic site referred to in subsection (a)(2).

AMENDMENT NO. 1694

Mr. BOND. Mr. President, I commend Chairman KERRY for his proposal to improve access for small business to participate in joint ventures. In the 1997 Small Business Reauthorization Act, we adopted provisions to allow small businesses to join together to compete for bundled contracts that otherwise would be too large for them to perform. However, current law requires the lead contractor to perform

50 percent of the value of the contract. This is still a significant obstacle. The Kerry/Bond amendment would allow the prime contractor to perform 33 percent of the contract if no other participant performs a greater proportion and if all other participants in the joint venture are small businesses.

Mr. KERRY. Mr. President, I would like to thank Armed Services Committee Chairman LEVIN and Ranking Member WARNER for their assistance on this amendment to the National Defense Authorization Act for Fiscal Year 2002. My amendment, cosponsored by Senator BOND, will help small businesses more effectively compete for large and/or bundled contracts.

Everyone knows that small businesses are vital to the U.S. economy, accounting for 99 percent of all private sector employers, providing 75 percent of all net new jobs, and accounting for 51 percent of private-sector output. But what many of my colleagues may not realize is the vital role small businesses play in providing competition and innovation to our Federal procurement system. In fact, a major reason for the creation of the Small Business Administration was to ensure an adequate private sector base for the Department of Defense. It was actually deemed in our national security interests to have a thriving small business sector. And this has not changed, it is actually more important than ever, not just to our national security, but to our economic security as well.

The amendment is based on our legislation, the “Small Business Procurement Competition Act of 2001,” and begins with one simple premise that has been proven time and again, when it comes to large Federal contracts, small businesses are at a competitive disadvantage because of the amounts of money involved and the large geographic areas these contracts may serve. The practice known as contract bundling, whereby separate procurement contracts are combined into one contract, has resulted in small businesses that do business with the Federal Government being placed at an even greater disadvantage. Unfortunately, procurement streamlining has resulted in the practice of contract bundling becoming more and more common.

In fact, for Fiscal Year 2000, the Federal Government failed to meet its goal of 23 percent of Federal prime contracts being awarded to small businesses. Many experts blame the inability of small businesses to compete on large bundled contracts as a key factor in this decline. For example, the Small Business Administration’s Office of Advocacy believes that for every \$100 awarded on a bundled contract, there was a decrease of \$33 to small businesses.

The Small Business Procurement Competition Act that has been included in this bill will address this decline in two ways. First, it draws on an existing principle known as “joint ventures” and expands the ability of small

businesses to form them. Second, it raises the percentage of contracts that a small business can subcontract to other small businesses.

Joint ventures, whereby small businesses can team together to bid on a bundled contract, even if the combined entity is too large to be considered a small business, is not a new concept. In fact, the Clinton Administration began to remove some of the obstacles to the formation of joint ventures. Our amendment takes this initiative, cements it into law, and makes several improvements to help and encourage the formation of joint ventures.

Many small businesses have said that they like the idea of being able to team with other small businesses to compete on bundled contracts, but they often don't know where to begin. Worse, many small businesses have said that, despite U.S. law, many contracts that should be considered bundled contracts are not, which has limited their ability to form joint ventures.

To combat these deficiencies, our amendment allows for the formation of a small business-only joint venture to bid on any contract over the amount of \$5 million, regardless of whether or not the contract is bundled. To combat the knowledge gap on this issue, our legislation requires that the Small Business Administration, SBA, set up a database of companies that are actively seeking to form joint ventures. The legislation also sets up a pilot program requiring the SBA to conduct outreach and education efforts to small businesses that want to form joint ventures.

Joint ventures are not the only means to help small businesses compete for bundled contracts. Our amendment also changes the subcontracting requirements for small businesses. Under current law, a small business must perform at least 51 percent of the work on a contract to maintain its small business eligibility. Under our provision, a small business can subcontract up to 2/3 of the work to other small businesses on bundled contract, provided the prime small business contractor performs the greatest proportion of the work. In this way, small businesses can bid on larger contracts that they do not have the capacity to perform on their own.

Small businesses are vital to the economic growth of the U.S. economy. Their innovations, the competition they provide and the jobs they create are just some of the reasons we must ensure the success of our small businesses. Taken together, these provisions will help small businesses by providing them with more opportunities to compete for Federal contracts and help maintain the national supply chain.

As the Chairman of the Senate Committee on Small Business and Entrepreneurship, I have made it a priority to ensure small businesses receive their fair share of Federal procurement contracts. This legislation is an important step in fulfilling that promise.

I would also like to thank Senator BOND for his work on another amendment to the National Defense Authorization Act, which I am a cosponsor of, to make some changes to the procurement provisions pertaining to small business in this legislation. I believe it is an important amendment and I am pleased we were able to get it included in the bill.

Once again, I would like to thank Senator BOND for joining me in this effort, as well as Senator LEVIN and Senator WARNER for their assistance and their courtesy.

AMENDMENT NO. 1695

Mr. BOND. Mr. President, I appreciate the opportunity to work with Chairman KERRY of the Small Business Committee to improve certain provisions of the Small Business Act relating to Federal procurement policy. These provisions will enable us to do a better job of tracking the small business impact of contract bundling without imposing burdensome new reporting requirements on the Defense Department. The amendment will also help a new class of firm participate in our HUBZone program to expand contracting opportunities to small businesses that locate in and hire from the nation's most chronically distressed communities.

The amendment revises current burdensome reporting requirements of the Small Business Act with respect to contract bundling, and eliminates corresponding provisions—which would now be moot—of the Defense Authorization that seek to guard DoD against those burdensome requirements. A new report requirement would be imposed on the SBA Administrator on how to improve the market analyses currently required by law, to make them more systematic and meaningful. DoD would not be required to collect new data under the revised provisions, which threatens to be the case under current law.

The amendment also alters the HUBZone Act to allow small businesses to participate if their stock is publicly traded. Currently, the HUBZone law requires all HUBZone owners to be U.S. citizens. A company whose stock is publicly traded can never meet this requirement. The company does not know the citizenship of all its stockholders, and even if it did, it might change at any moment if someone decides to sell or buy shares.

The amendment piggybacks on current Securities Exchange Act disclosures to meet the citizenship requirement. The law requires people who own 5 percent or more of a company to file disclosure reports, and to file subsequent amendments if that amount materially changes. Under the HUBZone language proposed here, a firm would be deemed to meet the HUBZone citizenship requirement if no non-citizen (individual or corporate entity organized under the laws of a State or the United States) has filed a disclosure indicating ownership of more than 10 per-

cent of the small business concern's stock. Because ownership can change at any moment, the language would provide that this must be true at the time of application and at such other subsequent times as the SBA Administrator prescribes.

One of the principal hurdles faced by small business is lack of access to capital. It makes no sense to exclude small businesses that have overcome this obstacle and gained access to the securities markets. This language would allow a publicly traded firm to rely reasonably on the disclosures they have received, so that they can participate in the HUBZone program. This will help stimulate new investment in our nation's most blighted inner cities, rural counties and Indian reservations, the areas targeted by the HUBZone Act.

AMENDMENT NO. 1698

Mr. BYRD. Mr. President, I rise to offer an amendment to address the serious accounting and financial management problems in the Department of Defense. These problems have been exhaustively detailed in reports by the General Accounting Office, the Department of Defense Inspector General's Office, and numerous independent reports on the Pentagon's books.

The problems with the Department of Defense's books is not a new one. In 1990, Congress passed the Chief Financial Officers Act, which required the departments and agencies of the Federal Government to prepare annual audited financial statements. Eleven years later, the Pentagon has yet to prepare a single financial statement that can pass an audit. In fact, the books are so poorly kept that the folks with the green eye shades can't even begin to make an informed opinion on the Department's ledgers. As a result, no one has a clue how much the Department spends or what it owns.

I first brought this issue to the attention of Secretary Rumsfeld during his confirmation hearing before the Armed Services Committee on January 11, 2001. He said at that time that he would take action on financial management, and he has since completed work on an important, comprehensive review of our military's bookkeeping. These are good steps, but sustained interest is needed to make progress on this issue. Until the problems are straightened out, this issue will need the personal attention of the Secretary of Defense, the secretaries of the military services, and many other high-level managers. The alternative is to have a financial management system that diverts the taxpayer's money from important budget items, such as training, procurement, and our fight against terrorism, to simply generating more waste, fraud, and abuse.

My amendment capitalizes on the work done by the Armed Services Committee by strengthening the Senior Financial Management Oversight Council

that is created by this bill. My amendment creates the Financial Management Modernization Executive Committee to establish guidelines for improvement of the computer systems that generate unreliable financial data, and makes the Executive Committee accountable directly to the Secretary of Defense, the Deputy Secretary, and the secretaries of the military services. It directs the Executive Committee to focus investments on improved financial systems, rather than continuing to spend money on systems that are hopelessly outdated.

In this amendment, I also strengthen the reporting requirements to Congress. The Armed Services Committee and the Appropriations Committee needs to know how long it will take to implement financial reform, and how much it will cost. We also need to know if the Department is making progress in reform, or if it is falling behind. The reporting requirements in this amendment will allow Congress to exercise better oversight of the Department's financial management reforms, and they are an integral part of this amendment.

I thank my colleague, Senator GRASSLEY, for working with me on this important issue. He has long been an advocate of improving accounting and business practices in the Pentagon, and his knowledge and experience in financial management issues contributed greatly to the text of this amendment. I look forward to working with him in the future to see that the Department effectively implements the needed reforms.

I ask my colleagues to support this important amendment.

Mr. GRASSLEY. Mr. President, I come to the floor today to cosponsor an amendment with the very distinguished gentleman from West Virginia, Senator BYRD.

Senator BYRD has crafted a very important and thoughtful piece of legislation designed to help the new Secretary of Defense bring some financial management reform to the Pentagon.

This legislation is the end result of a series of questions Senator BYRD raised at a hearing before the Armed Services Committee on January 11th. This was the hearing on the nomination of Mr. Rumsfeld to be the next Secretary of Defense.

Senator BYRD's questions pertained to the Pentagon's continuing inability to earn a passing grade, or "clean" audit opinion, on its annual financial statements.

Under the Chief Financial Officers or CFO Act, the Pentagon must prepare financial statements each year. These are supposed to be an accurate reflection of all the department's assets and liabilities. The financial statements are then subjected to an independent audit by either the General Accounting Office or the Inspector General.

Senator BYRD's questions pertained to the department's poor performance on the latest audit.

Senator BYRD questioning with this telling point: "DOD's own auditors say the department cannot account for \$2.3 trillion, I repeat \$2.3 trillion, in transactions in one year alone."

I believe that Senator BYRD's question had a profound effect on Mr. Rumsfeld. I think they sent shock waves through the whole department.

Since that time, Senator BYRD's staff and my staff have been working together to find a remedy.

Our amendment is a byproduct of that process, and Senator BYRD deserves most of the credit for advancing this initiative through the committee review process.

It is a great honor and privilege for the Senator from Iowa to work with someone of Senator BYRD's stature. Senator BYRD is a highly respected leader in this body and throughout our government. And when he tells the Pentagon, or any other agency for that matter, to shape up and fly right, they pay attention. They do what he asks.

As many of my colleagues know, I have been wrestling with this problem for a number of years. And quite frankly, I have not had a whole lot of success in getting the job done.

With Senator BYRD's leadership, I am now confident of success. With his leadership, I believe that meaningful reform is possible.

And my confidence is further reinforced by the attitude of the new leadership across the river over in the Pentagon.

My gut sense is that Mr. Rumsfeld was truly shocked by Senator BYRD's assessment.

As a former chief executive officer in a large corporation, Mr. Rumsfeld knows and understands the importance of having accurate financial information at his fingertips. It's absolutely essential for making informed decisions. It is essential for success.

He understands that the financial statement audits are a valuable diagnostic tool. They allow us to examine the patient's vital signs. It's kind of like doing a cat-scan on the government bookkeeping operation. If the books are in order and the numbers add up, it's so easy to roll them all up into a top-line financial statement that can stand up to scrutiny by auditors.

Mr. Rumsfeld grasped the magnitude of the problem immediately. He knows that the Secretary of Defense cannot possibly make good decisions with lousy information.

Having accurate, up-to-date financial information at his fingertips is mandatory—especially today when we appear to be on the brink of war.

The demand for financial resources is starting to escalate rapidly. If DOD does not know what it has in the inventory today and how much it is spending from one day to the next, then how could it possibly know what it needs?

I want to be certain that my colleagues understand the goal of the CFO Act. The key to this process is not passing some audit with flying colors.

That's not it at all. This is no mickey mouse bean-counter exercise.

The goal is to have accurate financial information in the hands of those responsible for making decisions. A "clean" opinion tells us that they will have it when they need it. A "clean" opinion will tell us that they are in a position to make informed decisions about what needs to be done.

A disclaimer of opinion, by comparison, says they don't have it and can't make informed decisions. That's bad, but that's exactly where DOD is today.

Secretary Rumsfeld's response to Senator BYRD's questions was so encouraging. It was music to my ears.

Secretary Rumsfeld's response tells me that he understands the problem completely, and he wants to solve it. He knows he has to solve it, if he is to be a successful and effective secretary.

Secretary Rumsfeld made a personal commitment to me to clean up the department's books.

His Chief Financial Officer, Mr. Dov Zakheim, has made a personal commitment to me to fix the books.

And Mr. Zakheim's senior deputies, like Mr. Larry Lanzillotta, have made a personal commitment to me to fix the books.

So, I now see a willingness in the Pentagon to get a handle on this problem. That's half the battle right there, the will to get the job done.

To my knowledge, that attitude never existed at the Pentagon in the past.

In the past, I fought endlessly with Mr. Hamre and his predecessors. They denied the problem even existed. Clearly, we have moved way beyond that stage.

Mr. Rumsfeld and his team understand the problem and want to fix it. If the will is there, as I think it is, I think we can succeed this time.

I would like to assure my colleagues that this is not an attempt to legislate a solution. So long as the Secretary is committed to reform, a legislative solution is unnecessary.

I see our amendment more as a device to help the Secretary get the job done.

Our only objective is to help the department acquire the tools it needs to put accurate, up-to-date financial information at the secretary's fingertips.

First, our amendment establishes a Senior Financial Management Modernization Executive Committee.

This group will supervise the acquisition of highly integrated accounting systems and computer technology.

These systems will be designed to produce reliable financial statements. Those capabilities simply do not exist today.

This group will report directly to Secretary Rumsfeld.

Second, the amendment provides some much needed relief. Right now, the Inspector General is pouring audit resources down a rat hole. It makes no sense whatsoever to audit financial statements that are notoriously unreliable. It's a total waste. That practice will be suspended temporarily.

Third, while some audits are suspended, the Secretary must provide an estimate of when reliable financial statements will be available for audit.

Fourth, the department is put on notice that it has four years to get the new systems up and running.

Mr. President, every member of this body understands that the elimination of the terrorist threat to this country is the top defense priority for the foreseeable future. We understand and accept that.

Countering this terrible threat must take priority over everything else.

At the same time, I hope that efforts to ferret out fraud, waste, abuse and mismanagement are not left behind in a cloud of dust. They have a place, even in the current environment.

It will be up to Secretary Rumsfeld to decide how and where reform fits into the new priorities.

We have been repeatedly told that the coming campaign against terrorism will be long and difficult. If it is long and difficult as predicted, then we will need to be certain that we don't waste precious resources. Waste and mismanagement could get in the way of our efforts to win the war against terrorism.

AMENDMENT NO. 1703

Mr. ALLARD. Mr. President, I am pleased to be introducing with Senator BOB SMITH an amendment to improve the organization and management of the Department of Defense with respect to space programs and activities.

This amendment is more important than ever. We are about to engage in an extraordinary struggle against the forces of terrorism. This will be a far-flung and difficult fight. Good intelligence will be at a premium and our space assets play a key role in achieving that.

We must do whatever we can to be sure that all our military assets are managed as efficiently and effectively as possible. This amendment, which is based on the recommendations of the Commission to Assess United States National Security Space Management and Organization, (also known as the Space Commission), is intended to do just that for our space assets.

The Commission looked at current DOD organization and management as it pertains to the development and implementation of national-level guidance, establishing requirements, acquiring and operating systems, and planning, programming and budgeting for national security space capabilities. The Commission found that the United States is dependent on space, creating vulnerabilities and demands on our space systems requiring space to be recognized as a top national security priority. The Commission also concluded that these new vulnerabilities and demands are not adequately addressed by the current management structure at the Department. The Commission found that a number of space activities should be merged, chains of command adjusted,

lines of communications opened and policies modified to achieve greater responsibility and accountability. Senator SMITH and I agree, and believe that space assets will be critical in the coming conflict with the forces of terrorism. That is why we are introducing this amendment.

The Department is making some of these changes today. However, we believe Congress should show its support to our military men and women by providing the Secretary with authority to realign his Department to make it more effective.

This legislation will provide the Secretary of Defense with the tools he needs for more effective management and organization of space program and activities. Specifically the legislation will:

Provide discretionary authority for the Secretary of Defense to establish an Under Secretary of Defense for Space, Intelligence and Information. Right now, the Secretary does not have this authority. While he has decided for the moment not to adopt this Commission recommendation, the amendment would provide him the authority to do so if he so chooses;

It would establish the Air Force as the Executive Agent for DOD space programs for DOD functions designated by the Secretary of Defense;

It would assign the Under Secretary of the Air Force as the Director of the NRO and directs the Under Secretary of the Air Force to coordinate the space activities of DOD and the NRO;

It would establish a budget mechanism to provide a better understanding of the resources we dedicate to space programs;

It would direct the Under Secretary of the Air Force to establish a space career field to promote the growth of specialists in space programs, doctrine, and operations. A budget mechanism and space career field will both help provide the needed focus on space and space activities;

And finally, the amendment would provide for joint service management of space programs to the maximum extent practicable, to assure that the Army, Navy, and Marine Corps stay actively involved in space programs.

This amendment will provide DOD the authority and flexibility to move faster and more efficiently in its reorganization and help provide the focus and attention that space programs and activities deserve. This is imperative in this dangerous world, in which our forces need the best technology, training, and support.

I want to thank my colleague for joining with me in this effort to provide the Department the tools it needs to make space a top national security priority. We welcome all Senators to join us in support of this important legislation.

Mr. SMITH of New Hampshire. Mr. President, I am glad that the Space Management Organization Amendment to this year's National Defense Author-

ization Act has been approved. As you all know, space issues have long been a keen interest of mine, even long before I served as the Strategic Forces Subcommittee Chairman. My interest is not derived from my New Hampshire industry constituents, because there is very little space business in my State. Rather, my interest in space is derived from my firm belief that whoever controls space will win the next war. More and more our deployed forces are relying on the "reach" that space communications provide and the "high ground" that space surveillance affords. Space is absolutely critical to future war fighting! That is why I feel proper management and operations of our space assets is absolutely critical. I look forward to working with Senator REED as the Chairman of the Strategic Forces Subcommittee to further the role of space in our strategic planning. This amendment is intended to capitalize on the expertise the Space Commission brought together, the Nation's greatest national security space experts from the military and civilian world. Ironically, military space operations are not usually run by senior officers with any space experience. Surely this lack of experience has some impact on their ability to leverage, to the maximum extent, the very complex high-technology military space assets under their command. In researching this issue, I found that the reason many of these officers don't have space experience is that they are required to be pilots in the "dual-hatted" relationship that U.S. Space Command has with the North American Aerospace Defense Command, NORAD. Because of the complexity of training to fly aircraft and maintain satellites, you rarely find officers with experience in both to staff appropriately U.S. Space Command, with space experts, and simultaneously meet the NORAD requirement for pilots. I think this current situation impacts our ability to leverage our space assets, precludes our best space officers from holding the highest positions, and perpetuates a culture in the Air Force that SPACE is secondary to AIR, despite the rhetoric to the contrary. This amendment is not intended to be an affront to the current or past Commanders of the U.S. Space Command or the officers who have served honorably under them. Rather, this amendment is intended to acknowledge that we have a defense space management issue and to seize the opportunity to correct it. Space is growing in importance as shown in the Gulf War, the Balkans and as will be demonstrated in the upcoming war against terrorism. It will be critical to winning the next war, and we need to establish the best space management and operations system that this Nation can bring to bear.

AMENDMENT NO. 1705

Mr. FEINGOLD. Mr. President, I have two amendments regarding the V-22 Osprey program. I understand that these amendments have been accepted, and I thank the managers, the Chairman and the Ranking Member of the

Armed Services Committee, for their cooperation on these important amendments.

The Osprey program has a troubled history and an uncertain future. Serious allegations and serious questions continue to cloud this program. Thirty Marines have died in Osprey crashes since 1991. Many questions regarding the accuracy of maintenance records and the safety and viability of this aircraft remain unanswered. We should proceed with caution, and we should have all the facts on this program.

I share the Armed Services Committee's concern about "how the Marine Corps and the Air Force are going to meet the requirements established for the V-22 program," and I commend the Committee for including language in the underlying bill that directs the Department of Defense to conduct a review of potential alternatives to this troubled aircraft.

One of my amendments will require the Defense Department to submit a report to Congress regarding the status of the Osprey program. This report will be submitted to the Congress no later than 30 days before a decision to resume test flights of the Osprey. The report will include a description of how the Department is implementing or plans to implement the recommendations of the Panel to Review the V-22 Program. This Panel, which was formed by former Secretary of Defense William Cohen following the December 2000 Osprey crash that killed four Marines, has recommended that the program be restructured and enter a new "Development Maturity Phase" during which the Panel's design and testing recommendations would be implemented.

In addition, the Department will be required to provide a full analysis of the deficiencies in the V-22's hydraulic system components and flight control software and the steps that have been taken to correct these deficiencies. There are many questions about specific components of this experimental tilt-rotor aircraft, including the hydraulic system and the flight control software. Extensive problems with the Osprey's hydraulic system components is one of the principal concerns that has been cited in numerous reports, including the report of the Panel to Review the V-22 Program; the report of the Judge Advocate General Manual investigation into the December 2000 Osprey crash; reports by the General Accounting Office and the Defense Science Board; and the November 2000 report of the Director of Operational Testing and Evaluation. Further, the Panel recommended that no further test flights of the Osprey take place until the flight control software has been redesigned. The hydraulic system and the flight control software have been blamed for the December 2000 crash.

In addition, there are a number of concerns regarding the aeromechanics of the Osprey, including the so-called

"vortex ring state" phenomenon that caused the April 2000 crash that killed 19 Marines. The Navy commissioned the National Aeronautics and Space Administration, NASA, to conduct a study of the tilt-rotor aeromechanics, including the vortex ring state and autorotation. The Department also will be required to include in its report to Congress an assessment of NASA's recommendations on tilt-rotor aeromechanics.

My second amendment would require the Department of Defense to provide notification to Congress thirty days before the resumption of V-22 test flights of all waivers of any item, capability, or other requirement specified in the Joint Operational Requirements Document, JORD, for the V-22, including the justification for such waivers.

As has been noted in reports including the final report of the Panel to Review the V-22, the November 2000 report of the Director of Operational Testing and Evaluation, and the Armed Services Committee report accompanying this bill, there are a number of concerns regarding the items that were waived during operational testing of the V-22. These include: the aircraft flight envelope and clearance for air combat maneuvering; defensive weapons systems; flight testing in bad weather conditions such as icing; nuclear, chemical, and biological weapons pressure protection; and the cargo handling system. The November 2000 report of the Director of Operational Testing and Evaluation states that "several of these waived capabilities impact the operational effectiveness and suitability of the MV-22."

My amendment will help to provide Congress with a more complete picture of the V-22 testing program by requiring the Department of Defense to provide a notification of all waivers and the justification for these waivers prior to a resumption of V-22 test flights.

Again, I thank the Chairman and the Ranking Member for accepting these amendments.

Mr. BUNNING. Mr. President, the Armed Services Committee approved an authorization increase of \$10 million over the budget request for Combat Vehicle and Automotive Advanced Technology "to support the goals of Army transformation". The report states that "of this amount, \$5 million would be used for research into lightweight steels, vehicle weight and cost reduction, corrosion control, and vehicle architecture optimization. The committee notes that novel light truck architectures combined with advanced structural materials could reduce vehicle weight without degrading performance or increasing costs, and could support the Army's transformation into a lighter, more lethal, survivable and tactically mobile force."

This increase refers to the research effort, competitively selected by the Army in fiscal year 1999, titled "Improved Materials and Powertrain Architectures for 21st Century Trucks"

(IMPACT). The IMPACT program will cover light/medium military payloads up to 5 tons, including applications with an open or closed bed configuration.

Kentucky is a large commercial producer and Army Base user of such vehicles, and through the University of Louisville's involvement in this effort, plays an important research role in their design and testing. The military will realize significant procurement and O&M cost savings as a result.

Mr. LIEBERMAN. Mr. President, it is with great regret that I am come to the floor today to discuss Senator INHOFE's amendment to this legislation. We are a nation poised for battle against a shadowy enemy that has as its aim the destruction of America and all that we stand for. Our President has prepared us for a sustained military campaign. At this time, there can be no higher priority than to pass this critically important legislation to support our armed services and the men and women who we will send into this battle to defend our freedom. Let us join together as Americans to provide our military with the funds they need, unencumbered by the distractions of debates better argued on another day.

Senator INHOFE is right to be concerned about our national energy policy. I think all of us in this Chamber share with the American people a sense of concern that we lack a comprehensive national energy plan for the future; one that combines the promises of new technologies and conservation with the important contribution of traditional fossil fuels in a responsible, efficient and clean manner.

But the time to debate the merits of the energy policy proposed by the White House and passed by our colleagues in the House is not today, and certainly not as an amendment to the defense authorization bill. We are talking about a debate of a 500-page, \$40 billion energy package. The Joint Tax Committee has estimated that it will give \$33.5 billion in tax breaks to industry over the next ten years. We cannot afford to be that fiscally irresponsible as we take on the new challenges of our war on terrorism.

More controversially, Senator INHOFE's amendment would open the Arctic National Wildlife Refuge for oil production. In the view of many, myself included, opening the refuge is not just bad environmental policy, it is bad energy policy and would do little to reduce our dependence on foreign oil. Most importantly, the refuge would not provide a drop of oil for at least a decade. This 10-year figure is a conservative estimate that was made by the Department of Interior under President Bush's father. Hopefully, our current crisis will have passed ten years from now.

Debating the merits of these, and other, provisions will take time. There will be deep divisions and much disagreement. As Senator MURKOWSKI said just last week, consideration of energy

legislation on the defense bill is "inappropriate. [T]here is a place for the consideration of domestic energy development. . . . That belongs in the energy bill where it should be debated by all individual members."

The security of our energy supply is an essential question as we enter this phase in our history, and we will have that debate. But this is not the time nor place. We have just lost nearly seven thousand of our citizens to terrible attacks, and the Senate must put its differences aside. Now is the time for unity of purpose. Let us leave this debate for another day and focus with moon-shot intensity on the task at hand: supporting our armed forces. We cannot afford the distraction that this amendment would create.

Mr. CLELAND. Mr. President, as Chair of the Senate Armed Services Personnel Subcommittee, I am very pleased to have joined with Senator TIM HUTCHINSON to introduce an important change to the current method for hiring Department of Defense physicians, pharmacists, nurses, and other health care professionals.

Like the private sector, the Department of Defense has been beginning to experience difficulties in recruiting certain health care professionals. At both the June 14, 2001, Senate Veterans' Affairs Committee hearing on the looming nursing shortage and the June 27, 2001, Governmental Affairs Subcommittee hearing on the Federal Government's role in retaining nurses for delivery of federally funded health care services, I emphasized an alarming statistic that the Federal health sector, employing approximately 45,000 nurses, may be the hardest hit in the near future with an estimated 47 percent of its nursing workforce eligible for retirement by the year 2004.

The need for military health care workers will be further intensified with the increased need for action by our national security forces in light of last week's terrorist attacks on America. Currently, the Office of Personnel Management, OPM, must process all applications and the response times range from 115 to 161 days. This protracted processing time contributes to the shortage of needed staff and sometimes losing a qualified applicant. The Department of Veterans Affairs, VA, already has this authority and has reported an advantage over other Federal agencies and a more equal playing field with the highly competitive private sector in recruiting needed health care staff.

I urge my colleagues to support our amendment to the Defense Authorization bill to give the DoD this needed change in their regulations for hiring the health care staff needed to care for our servicemen, women and families. Now, more than ever we need to give them all the tools they need to fulfill their vital mission.

Ms. COLLINS. Mr. President, I rise today to discuss the importance of energy policy to our national security

and to urge my colleagues to speed passage of the Department of Defense Authorization bill.

A sound energy policy is critical to our Nation's security. The United States is currently 56 percent dependent on foreign oil. By 2020, this number could rise to 70 percent. At that time, over 64 percent of the world's oil exports will come from Persian Gulf nations. I shudder to think what could happen if we allow ourselves to not only become so dependent on foreign oil, but also for our nation to become so dependent on such an unstable part of the world.

Senator CHUCK SCHUMER and I have spent a great deal of time developing a balanced, bipartisan energy plan which both increases supply and decreases demand. Our plan would increase American self reliance by reducing the need for energy imports. Our plan would also benefit consumers by reducing energy prices. We have a lot of good ideas, and, at the right time and on the right vehicle, we would like the opportunity to have them considered by the Senate.

However, now is not the right time and the Defense Authorization bill is not the right vehicle. Our first priorities must be to provide assistance to victims, to prevent future attacks, and to punish those responsible for the horrible acts of terror that occurred on September 11. A sound energy policy is critically important to the long-term viability of our national defense, as well as to virtually every segment of society. We cannot, however, respond to terrorist attacks by rushing through a controversial energy bill that will affect the course of domestic policy in the United States for decades to come.

Indeed, California has shown us what can happen when poor energy policies are hastily adopted. Californians will suffer from excessive energy prices for years upon years as a result of a poorly conceived energy plan. We should not risk similarly burdening all Americans by hastily attaching energy legislation to a defense bill.

Issues of timing and appropriateness aside, some of the energy proposals that have been heralded as necessary in the wake of the terrorist attacks of September 11 are in fact poor energy policy and poor environmental policy. I find particularly disingenuous the argument that we need to make an immediate decision on opening the coastal plain of the Arctic National Wildlife Refuge to oil drilling.

Drilling in ANWR will not provide any oil in time to help fuel our forces fighting the scourge of terrorism. If we were to open ANWR to oil drilling today, it would still take up to 10 years for the oil to make it to market. Furthermore, according to a report by the US Geological Survey, there is only about a 6-month supply of economically recoverable oil in ANWR. Clearly, 6 months of oil 10 years from now won't do much to help America respond to the terrible tragedies of September 11.

We can achieve greater and more immediate energy security by increasing our energy efficiency. According to one scientist who testified before the Senate Government Affairs Committee last year, the United States could cut reliance on foreign oil by more than 50 percent by increasing energy efficiency by 2.2 percent per year. This is a much greater benefit than the few percent improvement that drilling in ANWR would provide, and the benefits could start almost immediately—not in 10 years. I note that the United States has a tremendous record of increasing energy efficiency when we put our minds to it: following the 1979 OPEC energy shock, the United States increased its energy efficiency by 3.2 percent per year for several years. With today's improvements in technology, 2.2 percent is easily attainable.

In addition, Senators FEINSTEIN, SNOWE, SCHUMER and I introduced legislation earlier this year that would save consumers a million barrels of oil per day and billions of dollars by increasing CAFE standards for SUVs. That legislation would do far more to increase our energy security than would drilling in the Arctic.

We should also do more to promote alternative fuels. According to an analysis prepared by the Department of Energy, if only 10 percent of the gasoline in American cars were replaced with alternative fuels, the price of oil would fall by \$3 per barrel and Americans would save over \$20 billion a year, in addition to greatly improving our energy security.

The chair and ranking members of the Energy Committee, Senators BINGAMAN and MURKOWSKI, have put a tremendous amount of effort into developing comprehensive energy proposals. Each of their proposals contain many, many excellent provisions. I would like to thank them and all members of the energy committee for their hard work. However, I must emphasize that their work is too important, and the implications for the entire Nation too significant, to be hurriedly attached to another bill without adequate time for debate.

We need to adopt balanced legislation to increase our energy security, but we need to do so in a rational manner. Energy security is too important not to be addressed on its own merits by the full Senate. Furthermore, our defense needs are too important not to allow the Defense Authorization bill to go forward. Senators LEVIN and WARNER have worked extremely hard on that bill, and have put together a bill that is critical for the defense of our Nation. I implore all of my colleagues, please, for the good of America, speed passage of the Defense Authorization bill.

Mr. BINGAMAN. Mr. President, I rise in support of an amendment to S. 1438, the fiscal year 2002 National Defense Authorization Act, to provide funds badly needed for two vital test support activities in the Department of Defense. The Big Crow program provides

DoD with highly sophisticated airborne electronic warfare capabilities that enable us to test our newest weapon systems and technologies in a realistic battle environment in which electronic warfare is likely to be used. The system can also be used operationally if a requirement suddenly occurs. The Defense Systems Evaluation, DSE, program provides aircraft to replicate enemy and friendly aircraft in testing Army air defense programs and technology. Both of these programs provide vital test support assets used by all the military services. Unfortunately, it is typical for programs that provide cross-service support to be inadequately funded by their parent service organization. This year's President's budget request did not seek any funding for these programs, perhaps relying on the Congress, once again, to provide the emergency funds needed to keep them operating.

Thus we find ourselves again this year, seeking the funding needed for these two programs in order for them to continue to provide vital test support activities for all of the military services. The amendment, which Senator DOMENICI and I offer, will provide the minimum necessary funding to enable Big Crow and DSE to operate during fiscal year 2002.

There are other test support programs in the DoD that suffer the same circumstance as the two for which I am seeking funding. They refer to them in the Pentagon as "the orphans." The Defense Science Board, DSB, recently completed a review of operational testing and evaluation in the Department of Defense and published a report containing a number of significant recommendations about how to improve that process to make it more effective and efficient. The DSB recommended that DoD seek ways to encourage and implement joint service testing. Among their recommendations, the DSB endorsed budget oversight responsibility for orphan programs such as Big Crow and DSE to the Director, Operational Test and Evaluation in the Office of the Secretary of Defense. Actual test and evaluation activities would remain the province of the military services.

This year's Defense Authorization bill reported out by the Armed Services Committee contains a provision requesting the Secretary of Defense to review the DSB report and to submit recommendations regarding its implementation with the budget request submission for fiscal year 2003. I am hopeful that the Secretary will endorse the DSB findings so that the Department will finally exercise appropriate oversight and support for cross-service test activities. In the meantime, the amendment I am introducing is necessary to keep those essential test activities underway. I urge my colleagues to support its adoption.

Mr. LEVIN. I thank the Chair.

Mr. WARNER. Madam President, I urge the adoption of the amendments.

The PRESIDING OFFICER. The amendments have been agreed to by unanimous consent.

Mr. WARNER. Madam President, I am not hearing.

The PRESIDING OFFICER. The amendments were agreed to by unanimous consent.

Mr. WARNER. Fine.

If it requires that I now move to reconsider the vote and to lay that motion on the table, I do that.

The PRESIDING OFFICER. That was part of the unanimous consent agreement.

Mr. WARNER. Fine.

Now, Madam President, first, the chairman and I, together with the two senior appropriators of the Senate and our counterparts in the House, started today at the Pentagon, with the Secretary of Defense, his senior staff, and the designated new Chairman of the Joint Chiefs of Staff.

The chairman and I open every day expressing our profound gratitude to the men and women of the Armed Forces and their families, and particularly our concerns are everlasting for those who suffered loss of life and injury, and the families associated with those victims on September 11.

After this meeting, I walked around again to that site where that plane committed a terrorist act against the symbol of the U.S. military strength, the Department of Defense.

I am pleased to report that, in my judgment, the Secretary is moving forward on a broad range of fronts to address all issues that the President, in his memorable speech, raised before the Congress.

Expressing for myself, and I think all others, we have tremendous confidence in the men and women of the Armed Forces in their ability to carry out the diverse set of missions, any one of which may face them at any time as we address the terrorist acts inflicted on the country, and to take every step to prepare that it shall not be repeated.

I commend our President and, indeed, the Secretaries of Defense and State, who were here yesterday and briefed almost 90 Senators on a wide range of issues.

So the consultation between the executive branch and the legislative branch, particularly those of us who have the oversight responsibility, I think is more than adequate and certainly within the spirit of all the various laws, beginning with our Constitution, which says that the Senate and the House, as a congress, are a coequal branch of the Government.

I join with my distinguished chairman in saying how important this bill is for the men and women of the Armed Forces. As we sat there at our breakfast this morning, there were further announcements on callups and movements of these individuals in uniform and the impact on their families.

It is absolutely imperative we move forward with this bill. On the matters that were addressed last night, which

for a period of time held up consideration of this bill, those Senators were acting within their rights as Senators on matters which are of great concern. I am hopeful that those two issues can be resolved.

As our chairman said, Senator DASCHLE, Senator LOTT, and Senator REID are around the clock working on these issues, together with other Senators.

So I am optimistic that we can move forward and continue to work on this bill on Monday and proceed to a resolution and passage in a timely way to show that the Senate of the United States, in joining the House of Representatives, is prepared to have a bill to go to the President shortly, authorizing the very special needs we have at this time in our history.

Mr. President, I yield the floor and I thank my chairman. We have been working together for at least 23 years. We have more work to do.

Mr. LEVIN. Neither of us shows it in terms of the youthful visage we present.

Mr. WARNER. Whatever you say.

I thank my chairman. And I hope he has a safe journey wherever he is traveling on this important observance of the religious holiday.

Mr. LEVIN. We not only want to thank our good friend from Virginia for those thoughts about the religious holiday—which I am now going to leave here to celebrate—but I want to thank him for the sensitivity which he has shown to that issue and to every other issue that involves personal lives. He has consistently done that for 23 years. It is part of his makeup. He has very much worried whether I would be able to leave here in time today to get to synagogue. I very much appreciate his consideration.

Mr. WARNER. Madam President, I thank my colleague for his remarks.

I believe we would be able to say to the Senate, having consulted with the distinguished majority leader and Republican leader, that in due course they may come to this Chamber with regard to certain procedural situations which would address our return to this bill on Monday. I do not want to prejudge their final statement, but I am optimistic they will be forthcoming and we can reach resolution procedurally on some of our matters.

Mr. LEVIN. Talking about optimism, as I mentioned to my friend from Virginia, I have been optimistic since last night that we were going to be able to work out the issue which temporarily held us up yesterday. That one now seems very resolvable.

There is one big problem relative to a matter that is not related to this bill. That is the only problem that I see in the way. But our leaders will have more to say about that in a few minutes.

Mr. WARNER. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DAYTON). The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

Mr. TORRICELLI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. TORRICELLI. Mr. President, I ask unanimous consent that there be a period for morning business and that I be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from New Jersey.

AFTER SEPTEMBER 11, 2001

Mr. TORRICELLI. I thank the Chair.

Mr. President, I want to engage my colleagues and the American people in a discussion of the events of September 11, 2001. All of us recognize that much of our lives have been touched and some things have been changed forever. If it is axiomatic to say that about our country and the communities I represent and where I live in northern New Jersey, it may be as true as anywhere in the Nation.

There is not a small town or a city in northern New Jersey that has not been touched or changed. At the time the final body has been found and the search has concluded, 2,000 to 3,000 people in New Jersey may have lost their lives. It is estimated there are 1,500 orphans in my State. It struck everywhere.

In Middletown, NJ, 36 people have been lost. It is estimated it could go as high as 70. In Basking Ridge, where JON CORZINE and I visited a few days ago, 14 people were lost, two more than in all of World War II. In a single elementary school in Ridgewood, NJ, 6 children lost their fathers.

The loss of lives in Korea or Vietnam or World War II took years to accumulate. In my State of New Jersey, lives were lost in minutes.

We say the Nation will never be the same. We say that life has changed. Those are words. We do not know what they mean. All we can attest is that it is large, it is dramatic, and things will be different. Now we fill in the blanks. How will it be different and why?

The pain is so great and the loss is so enormous that our instinct is to strike immediately, overwhelmingly with the power in our possession, and, indeed, we will strike, but it must be thoughtful and it must be careful because it must be successful.

Our instinct is, because we understand there is no liberty without security, that we must immediately enhance law enforcement with money, with people, and with new powers. Indeed, many of these new powers are justified and must be required. Everything from increasing electronic surveillance to expanding wiretap authority to giving the CIA greater access to grand jury materials is being proposed.

Some of it is long overdue, and already I think the Congress can justify acting.

There is no reason to have a 5-year statute of limitations on terrorist activities. The Nation has no statute of limitations for treason or for murder. Terrorism is every much as insidious and the statute of limitations should be lifted.

The Government clearly needs to have greater powers for dealing with money laundering. We recognize this from our fight against the narcotics trade, and it is true with terrorism. The laws are antiquated and must be changed.

The electronics telecommunications revolution has probably necessitated change in electronic monitoring as well.

These things we can justify, but it is here where I urge caution because we are in pain, because we are vulnerable, and because we recognize that our security is in such danger there is a rush to judgment on issues of civil liberties. It is here where I draw the line.

Everything can be discussed, and the Congress should be willing to listen to many, but it is the responsibility of this Congress, under the architecture designed by the Founding Fathers, and primarily the duty of this Senate where passions cool, better judgment reigns, civil liberties which are compromised. A Constitution which is changed to deal with the necessities of an emergency is not so easily restored when the peace is guaranteed and a victory won.

If this Congress surrenders civil liberties and rearranges constitutional rights to deal with these terrorists, then their greatest victory will not have been won in New York but in Washington.

Any administration can defeat terrorism by surrendering civil liberties and changing the Constitution. Our goal is to defeat terrorism, remain who we are, and retain the best about ourselves while defeating terrorism. It is more difficult, but it is what history requires us to do.

The history of our Nation is replete with contrary examples, and we need to learn by them. They are instructive. For even the greats of American political life have given in to the temptation of our worst instincts to defeat our worst enemies and lose the best about ourselves. Indeed, the very architect of our independence, John Adams, under the threat of British and French subversion, supported the Alien and Sedition Acts, compromising the very freedom of expression he had helped to bring to the American people only a decade before. He lived with the blemish of those acts on his public life until the day he died.

Abraham Lincoln, the Great Emancipator, the savior of our Union suspended the Constitution, its right of habeas corpus, imprisoning political opponents to save the Union.

Franklin Delano Roosevelt, who had the honor of saving the Nation not

once but through the Great Depression and the Second World War, imprisoned Japanese Americans and some German and Italian Americans in a hasty effort at national security which has lived as a national shame.

If these great men, pillars of our democracy, compromised better judgment in time of national crisis, it should temper our instincts. Their actions should speak volumes about the need for caution at a time of national challenge.

There is another side. There are better instincts among us. The American people are speaking of them all across the Nation. They recognize the need to balance security and civil liberties, to change that which is required to assure victory, but recognizing that victory is measured not only by security but also by our liberties.

Across the Nation, the American people have provided us many measures of their strength as they exercise those liberties, engaging in open debate about how the Nation responds, giving unprecedented levels of donations—\$200 million to the Red Cross alone.

They reached out across races and religions to express concern about each other and for the safety of Arab Americans and Muslim Americans.

They are reminders of how much the Nation has grown from previous successes.

I rise in recognition of these national strengths and these concerns and commend in particular Senator LEAHY who has extended, on behalf of the Senate, our desire to work with the administration to enhance the powers of law enforcement and to provide the necessary resources. But I think he speaks for many Members of the Senate—he certainly speaks for me—when he also asks that we act deliberately and prudently.

I ask we expand that debate because history will require, and I believe the American people will demand, that we not merely review what new powers must be given to law enforcement and the intelligence community, we must not simply debate what new resources financially are required, but there is some need for some accounting of those previous powers and resources.

At a time when we are still seeking survivors and counting the dead, no one wants to cast blame. I do not rise to cast blame, but I do ask for accountability.

I may represent 3,000 families who lost fathers and mothers and sisters and brothers and children. They demand military protection by bringing our forces abroad. They ask that we strengthen law enforcement at home. But somebody is going to have to visit these cities and small towns and answer to these families, where are the resources we gave in the past? What of the enormous intelligence and security and law enforcement apparatus we have built through these decades? What happened?

This is not to assess blame. It is so we can only learn how to correct these